CLASSIFICATION

REPORT

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CENTRAL INTELLIGENCE AGENC

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Zarya Vostoka, No 166, 1949.

ENTERPRISES REVALUING COMMODITY STOCKS

As a result of the new wholesale prices and new freight rates which became effective 1 January 1949, enterprises and other economic organizations are engaged in a revaluation of commodity and material stock).

This measure is of great importance. It will accelerate the turnover of working capital and strengthen the financial basis of enterprises and other economic organizations.

Revaluation is carried out in two stages: (1) revaluation of commodities and materials received before 1 January 1949 and (2) revaluation of commodities and materials received after 1 January 1949. Financial agencies and institutions are charged with the responsibility of checking the accuracy of computations.

Unfortunately, not all enterprises fulfilled this important state task. A substantial part of commodities and materials for which wholesale prices were established was not revalued. For example, the Thilisi Planning and Assembly Administration of "Kavelektromontazh" (Cancasus Electrical Assembly) Trust revalued only 28 percent of its commodity and material stocks; several financial institutions failed to check the accuracy of what has been revalued. These failures result in (1) distortion of the financial-economic indexes of an enterprise (especially of the production cost index) and (2) unauthorized reserves.

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SECRET SEGNE CLASSIFICATION

STATE